
**MONTANA DEPARTMENT OF COMMERCE
COMMERCE LOAN FUND
2003 ECONOMIC DEVELOPMENT PROJECT SUMMARIES**

REGULAR CDBG-ED PROJECT AWARDS

Locality: **City of Columbia Falls**
Project Number: #MT-CDBG-ED03-01

Name of Company: Creative Sales
Project Location: Columbia Falls
Financing Date: 04/15/03

CDBG Funds:
Admin. Grant \$ 28,800
Loan for equipment purchases \$ 300,000
Customized Training Grant \$ 60,000
Other Funds:
First Citizens Bank/MBOI \$ 693,500
Equity \$ 317,000
Total Project **\$ 1,399,300**
Job Creation: 12 (also 14 retained)
LMI Jobs: 7+

Use of CDBG Funds: New equipment costs for mold injection manufacturing

The City of Columbia Falls was awarded \$388,800 in economic development funds to assist Creative Sales. The City will loan \$300,000 of the grant to Creative Sales to purchase new equipment for its mold injection manufacturing, and provide a grant to Creative Sales \$60,000 for hiring and training employees. Columbia Falls and the Northwest Business Center, who helped develop the project, will receive \$28,800 for administering the project. The Creative Sales Company was established in 1980 and manufactures assorted knife sharpeners and utility fasteners. The Company will add a minimum of 12 new positions to its manufacturing operation over the next two years. The Company has projected 14 FTE jobs will be retained. At least seven of the new positions will be made available to or filled by low and moderate-income persons. After receiving on-the-job training, these employees will receive a salary and benefits package equal to \$11.81 per hour or greater.

Locality: **City of Glasgow**
Project Number: #MT-CDBG-ED03-02

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|-------------------|------------------------|
| Name of Company: | AW Pratt, Incorporated |
| Project Location: | Glasgow |
| Financing Date: | 08/08/03 |

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| CDBG Funds: | |
| Admin. Grant | \$ 24,000 |
| Loan for working capital; | \$ 300,000 |
| Purchase of AWP stock | |
| Other Funds: | |
| Owner's cash injection | \$ 170,000 |
| Wells Fargo line of credit | \$ 50,000 |
| Wells Fargo Bank w/SBA | \$ 720,000 |
| Total Project | <u>\$ 1,264,000</u> |

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|---------------|--------------------------|
| Job Creation: | 29 retained, 25 FTE's |
| LMI Jobs: | 15 (60%) of the 25 FTE's |

Use of CDBG Funds: Working Capital

The City of Glasgow was awarded \$324,000 to assist AW Pratt, Incorporated. The City will make a loan of \$300,00 to assist with the purchase of AW Pratt, Incorporated to enable the business to remain in Glasgow and retain 29 currently held positions. AW Pratt manufactures its own designs for voltage regulators, rectifiers, CD breakerless ignition systems, and standby power plant voltage regulators. Each part is designed specifically to meet the requirements of the small engine manufacturer. The City will retain \$24,000 for administrative expenses for management by Great Northern Development Corporation.

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| Locality: | City of Livingston |
| Project Number: | #MT-CDBG-ED03-03 |

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| Name of Company: | PrintingforLess.com |
| Project Location: | Livingston |
| Financing Date: | 08/08/03 |

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| CDBG Funds: | |
| Admin. Grant | \$ 32,000 |
| Loan for working capital | \$ 368,000 |
| Other Funds: | |
| Local bank | \$ 693,500 |
| Equity | <u>\$ 317,000</u> |

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| Total Project | <u>\$ 1,410,500</u> |
| Job Creation: | 30 |

Use of CDBG Funds: Working capital and software development

The City of Livingston was awarded CDBG funds to assist PrintingforLess.com, a commercial printing/Internet company with online service for configuring, pricing, ordering, and proofing high-quality color printing to be located in Livingston. PrintingforLess.com is an arm of Printing For Less, an existing printing business in Livingston. In order to accommodate additional printing equipment and projected 200-300 new jobs in the future, Printing for Less is moving to a new location. It is projected that CDBG funds will assist with the initial 40 positions, of which 21 will be held by LMI.

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| Locality: | Cascade County |
| Project Number: | #MT-CDBG-ED03-04 |
| Name of Company: | International Malting Company (IMC) |
| Project Location: | Great Falls Area |
| Financing Date: | 10/15/03 |
| CDBG Funds: | |
| Admin. Grant | \$ 32,000 |
| Grant for infrastructure to plant | \$ 368,000 |
| Other Funds: | |
| City of Great Falls | \$ 3,244,000 |
| EDA/USDA-RD | \$ 5,402,000 |
| IMC | \$75,576,600 |
| Total Project | <u>\$ 84,622,600</u> |
| Job Creation: | 35 |
| LMI Jobs: | 21 |

Use of CDBG Funds: Provide water service to IMC.

Cascade County was awarded funds to provide water infrastructure service to International Malting Company. The water service will also serve an industrial park of which IMC will be the anchor business. The water line will be owned by the County. IMC is one of the world's most diversified suppliers of malt products and a leader in the malting industry.

Phase one of the construction will consist of a plant that can process 6-8 million bushels of barley per year. Upon completion, 35 new jobs will be created of which 21 will be held by LMI.

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| Locality: | City of Belgrade |
| Project Number: | #MT-CDBG-ED03-06 |
| Name of Company: | Bacterin |
| Project Location: | Belgrade |
| Financing Date: | 12/16/03 |
| CDBG Funds: | |
| Admin. Grant | \$ 30,000 |
| Loan for working capital | \$ 370,000 |
| Other Funds: | |
| Valley Bank | \$ 370,000 |
| Equity | <u>\$ 500,000</u> |
| Total Project | <u>\$ 1,270,000</u> |
| Job Creation: | 23 |
| LMI Jobs: | 16 |

Use of CDBG Funds: Working capital

The City of Belgrade applied on behalf of Bacterin, Incorporated for working capital. Bacterin Inc. is a company in the biofilm research industry. It has developed an anti-infective coating for medical devices that prevents microbial formation and growth, thus reducing infections associated with medical devices. Bacterin intends to form alliances with independent medical device representatives to further develop a line of products. Bacterin plans to hire an additional 23 employees of which, 16 will be LMI.

CDBG-ED PLANNING GRANT AWARDS

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| Locality: | Lincoln County |
| Project Number: | MT-CDBG-EDPG03-01 |
| Project Location: | Libby |

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| Financing Date: | 01/09/03 |
| CDBG Funds: | |
| Market Feasibility and New Business Evaluation Study | \$70,000 |
| Other Funds: | |
| Lincoln County | <u>\$80,000</u> |
| Total Project: | \$150,000 |
| Job Creation: | Not Applicable |
| LMI Jobs: | Not Applicable |

Use of CDBG Funds: Market Feasibility and New Business Evaluation/Development Study

Lincoln County will complete a multi-phased Market Feasibility and New Business Evaluation/Development Study related to the impact of the Stimson Mill closure and loss of 300 jobs. To examine the possibility of reopening the Stimson Plywood Plant, the County proposed to conduct a preliminary technical market feasibility study for the Stimson Plywood Plant; develop a new business evaluation and development study including developing and implementing strategies for securing funding; and developing a business and marketing plan.

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| Locality: | City of Red Lodge |
| Project Number: | MT-CDBG-EDPG03-02 |
| Project Location: | Red Lodge |
| Financing Date: | 06/06/03 |
| CDBG Funds: | |
| Development of a CEDS and Phase 1 development of Industrial Park | \$15,000 |
| Other Funds: | |
| USDA RD | \$7,000 |
| USFS RCA | \$5,000 |
| In-kind | \$5,000 |
| Total Project | <u>\$32,000</u> |
| Job Creation: | Not Applicable |

LMI Jobs: Not Applicable

Use of CDBG Funds: To prepare a Comprehensive Economic Development Strategy (CEDS) and to complete a first phase of a planned unit development (PUD) and subdivision planning for the Red Lodge Industrial Park.

The City of Red Lodge was awarded \$15,000 to prepare a CEDS document and complete the first phase of planning for an industrial park. The City will use \$8,000 in planning grant funds to prepare a Comprehensive Economic Development Strategy that will identify goals, objectives, and strategies for the Red Lodge area. The remaining \$7,000 in grant funds will be used to complete a first phase of a planned unit development for the Red Lodge industrial park, create a tax increment finance district, and complete engineering design work related to the layout of the industrial park and extension of infrastructure service.

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| Locality: | MEDA |
| Project Number: | MT-CDBG-EDPG03-03 |
| Project Location: | 12 Resource Team Assessments statewide |
| Financing Date: | 06/09/03 |
| CDBG-ED Funds: | \$25,000 |
| Conduct a minimum of 12 Resource Team Assessments Around the State | |
| Other Funds: | |
| CDBG – Public Facilities/Housing | \$25,000 |
| Total Project | <u>\$50,000</u> |
| Job Creation: | Not Applicable |
| LMI Jobs: | Not Applicable |

Use of CDBG Funds: Conduct a minimum of 12 Resource Team Assessments around the state.

The Montana Economic Developers Association (MEDA) was contracted for \$25,000 to conduct community assessments around Montana. MEDA will use the grant funds to conduct a minimum of 12 Resource Team Assessments around the state within the next year (July 1, 2003 – June 30, 2004). Resource teams visit rural communities for one to two day objective assessments. Community information is gathered from community tours, scheduled listening sessions with groups of citizens, and through evaluation of the community profiles.

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| Locality: | City of Lewistown |
| Project Number: | MT-CDBG-EDPG03-04 |

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| Project Location: | Lewistown |
| Financing Date: | 07/10/03 |

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| CDBG Funds: | |
| Prepare a Feasibility Study | \$15,000 |
| And Actuarial to evaluate a Business | |
| Expansion for Hobson Insurance | |

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| Other Funds: | |
| Dale Longfellow, Hobson Insurance | \$18,000 |
| Total Project | <u>\$33,000</u> |

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| Job Creation: | 40 |
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| LMI Jobs: | Not Applicable |
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Use of CDBG Funds: Prepare a feasibility study and actuarial to evaluate a business expansion for Hobson Insurance.

The City of Lewistown was awarded \$15,000 to assist Hobson Insurance for the preparation of a feasibility study and actuarial to evaluate a business expansion for Hobson Insurance. It is projected that the insurance business expansion would be located in the City of Lewistown and would employ up to 40 additional employees.

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| Locality: | Town of Saco |
| Project Number: | MT-CDBG-EDPG03-05 |

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| Project Location: | Saco |
| Financing Date: | 08/18/03 |

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| CDBG Funds: | |
| Conduct a Feasibility Study for | \$10,000 |
| Construction of an Industrial Park | |
| In Saco | |

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| Other Funds: | |
| Town of Saco | \$7,500 |
| Gas Enterprise Fund | \$2,500 |

Total Project \$20,000

Job Creation: Not Applicable

LMI Jobs: Not Applicable

Use of CDBG Funds: Conduct a feasibility study for the construction of an industrial park in Saco.

The Town of Saco was awarded \$10,000 to conduct a feasibility study for the construction of an industrial park in Saco. CDBG ED funding of \$2,500 is to be used for surveying services to plot lots and blocks. The remaining \$7,500 is to be used to assess the Town's infrastructure capacity. Two businesses would like to locate in the proposed industrial park. It is the hope that with these businesses located together, other businesses will be attracted to the Saco location.

Locality: **City of Havre**
Project Number: MT-CDBG-EDPG03-06

Project Location: Havre
Financing Date: 08/11/03

CDBG Funds:
Conduct a feasibility study for a Multi-purpose center in Havre \$15,000
Other Funds:
City of Havre RLF fund \$20,250
Total Project \$35,250

Job Creation: Not Applicable

LMI Jobs: Not Applicable

Use of CDBG Funds: Complete a feasibility study for a regional multi-purpose center that would be built in Havre and serve northern Montana.

The City of Havre was awarded \$15,000 to conduct a feasibility study for a multi-purpose center for Havre. The regional multi-purpose center would serve northern Montana and accommodate a variety of activities such as concerts, sporting events, agricultural shows, drama productions and conventions. Activities will have oversight through Bear Paw Development Corporation.

Locality: **Town of Chester**
Project Number: MT-CDBG-EDPG03-07

Project Location: Chester
Financing Date: 08/28/03

CDBG Funds:
Complete a Feasibility Study for \$7,000
Cooperatively Owned Baby Carrot
Processing Plant; Travel Expenses

Other Funds:
Montana Growth Through Ag. \$32,500
Town of Chester \$26,139
Total Project \$65,639

Job Creation: Not Applicable

LMI Jobs: Not Applicable

Use of CDBG Funds: Complete a feasibility study for a cooperatively owned baby carrot processing plant; and travel expenses for a team to meet with an equipment broker and tour three plants processing baby carrots.

The Town of Chester was awarded \$7,000 to conduct a feasibility study to form a producer owned cooperative that would produce, process, market, and distribute a premium brand of baby carrots to supermarkets in the USA and Canada. The grant will also help pay for travel expenses for a team to meet with an equipment broker and tour three baby carrot processing plants. Matching funds of \$58,639 have been provided by the Montana Growth Through Agriculture Program and the Town of Chester. In-kind is also provided by the Montana Growth Through Agriculture Program, Bear Paw Development Corporation, North Central Montana Vegetable Growers, Montana Cooperative Development Center, Liberty County, and the Town of Chester. Bear Paw Development would take the lead on this project. A local steering committee has been formed with representatives from Liberty County, Town of Chester, Riverview Hutterite Colony, Montana Cooperative Center, and Bear Paw Development. This project would provide the necessary planning for the potential construction of a vegetable processing facility in Chester and would help growers analyze risks associated with this venture as well as develop strategies the group will consider to manage those risks.

Locality: **Lewis and Clark County**
Project Number: MT-CDBG-EDPG03-08

Project Location: 3-county region (Broadwater, Lewis and Clark, Meagher Counties)

Financing Date: 08/28/03

CDBG Funds:

Complete a CEDS and Application for Federal Economic Development Designation (EDD) for a Tri-County Region \$10,000

Other Funds:

US EDA \$30,000
Lewis and Clark County (in-kind) \$2,750

Total Project \$42,750

Job Creation: Not Applicable

LMI Jobs: Not Applicable

Use of CDBG Funds: Complete a Comprehensive Economic Development Strategy (CEDS) and application for federal Economic Development Designation (EDD) for a tri-county region (Lewis and Clark, Broadwater, and Meagher Counties).

Lewis and Clark County was awarded \$10,000 to complete a CEDS and application for federal Economic Development Designation (EDD) for a tri-county region (Lewis and Clark County, Broadwater County, and Meagher County). Lewis and Clark County will enlist the assistance of Gateway Economic Development Corporation to help with some activities. A professional consultant will be procured for the compilation of the CEDS.

Locality: **Town of Eureka**
Project Number: MT-CDBG-EDPG03-09

Project Location: Eureka
Financing Date: 08/28/03

CDBG Funds:

Hire consultant to analyze and study Eureka's downtown economic climate \$13,000

Other Funds:

Town of Eureka (in-kind) \$2,225
Town of Eureka (Cash) \$15,924

Total Project \$31,149

Job Creation: Not Applicable

LMI Jobs: Not Applicable

Use of CDBG Funds: Hire a consultant to study and analyze Eureka's downtown economic climate.

The Town of Eureka was awarded \$13,000 to hire a consultant to study and analyze Eureka's downtown economic climate. The study would include the identification of economic problems and development of a plan for economic opportunities. A set of implementation strategies will be completed to guide the Town towards strengthening its economic base. Eureka desires realistic implementation strategies to assist in the downtown revitalization and redevelopment of the downtown core area, including improving parking and traffic patterns.

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| Locality: | Town of Wibaux |
| Project Number: | MT-CDBG-EDPG03-10 |
| Project Location: | 6-county region (Richland, Dawson, Prairie, Wibaux, Fallon, and Carter Counties) |
| Financing Date: | 08/28/03 |
| CDBG Funds: | |
| Complete a 6-county CEDS | \$10,000 |
| Other Funds: | |
| EDA | \$10,000 |
| Eastern Plains RC&D | \$10,000 |
| Total Project | <u>\$30,000</u> |
| Job Creation: | Not Applicable |
| LMI Jobs: | Not Applicable |

Use of CDBG Funds: Completion of a Community Economic Development Strategy (CEDS) for 6 counties in eastern Montana (Richland, Dawson, Prairie, Wibaux, Fallon, and Carter Counties).

The Town of Wibaux was awarded \$10,000 to complete a CEDS document for six counties in eastern Montana – Richland, Dawson, Prairie, Wibaux, Fallon, and Carter. This six-county region will then have the opportunity to develop an Economic Development District (EDD) with funding from EDA. Several constraints and opportunities have been identified which have led to six major objectives including business development, natural resource development, infrastructure, housing, communications, and local leadership. Eastern Plains RC&D will take

the lead on this project and incorporate all existing regional and county plans, including those counties without plans. Eastern Plains coordinates its efforts with Great Northern Development Corporation, South Eastern Montana Development Corporation, Action for Eastern Montana, and the Montana Department of Commerce.

WORKFORCE INVESTMENT ACT (WIA) AWARDS

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| Business Name: | Montana Manufacturing Extension Center (MMEC) |
| Project Number: | 03-51-0039 |
| Project Location: | Bozeman |
| Financing Date: | 10/30/01 |
| WIA Funds: | \$115,000 |
| Other Funds: | |
| MMEC | \$115,000 |
| Total Project: | <u>\$230,000</u> |
| Job Creation: | Not Applicable |

Use of WIA Funds: The award is for \$115,000 to be used to reimburse costs associated with ongoing outreach and training programs provided by the Montana Manufacturing Extension Center (MMEC). The funds are part of the Governor's discretionary Workforce Investment Act (WIA) program that includes the Department of Labor and Industry and the Montana Department of Commerce. The MMEC, based at the Montana State University in Bozeman, has provided numerous training courses to Montana manufacturers to assist them with introductory training utilizing videoconferencing and in-depth training topics including lean manufacturing; change management and value stream mapping; financial management for manufacturers; internal auditing training; cost estimating; and marketing.

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| Business Name: | Jore Corporation |
| Project Number: | MT-WIA01-ED-03-01 |
| Project Location: | Ronan |
| Financing Date: | 07/07/03 |
| WIA Funds: | \$25,000 |
| Other Funds: | |
| Jore Corporation | <u>\$25,000</u> |
| Total Project: | <u>\$50,000</u> |
| Job Creation: | Not Applicable |

Use of WIA Funds: Customized employee training for 24 employees

Jore was awarded \$25,000 for customized employee training for 24 employees. Jore Corporation, one of the largest employers in Lake County, is located in Ronan. Jore manufactures power tools accessories and drill bits for sale under private label brands and supplies products to retail stores. The number of total positions projected to be filled will be

twenty-four (24) full time positions that will be based in Ronan, Montana. JORE would be eligible for up to \$5,000 per eligible employee per documented training costs up to the \$25,000 award. Trained employees must be compensated at \$12.99 an hour including benefits. Funding is provided from the Governor's Discretionary Fund under the Workforce Investment Act. The Department of Commerce administers the Governor's Discretionary Fund through the CDBG ED Program.

EDA/RLF AWARDS

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| Locality: | Yellowstone County |
| Business Assisted: | Cattle Development Center |
| Project Number: | MT-CDBGED03-05 |
| Project Location: | Custer |
| Financing Date: | 10/15/03 |
| EDA/RLF Funds: | \$ 269,000 |
| Other Funds: | |
| CDBG (1998) | \$ 400,000 |
| Yellowstone Bank | \$1,050,000 |
| Equity | \$ 47,300 |
| RC&D | \$ 11,501 |
| Yellowstone County | <u>\$ 2,000</u> |
| Total Project: | <u>\$1,779,801</u> |
| Job Creation: | 14 jobs |
| LMI Jobs: | 10 |
| Use of EDA/RLF Funds: | Working Capital |

Yellowstone County was awarded EDA/RLF funds to loan to the Cattle Development Center (CDC) for working capital. The CDC was founded in 1998 and is a feedlot that serves 220 day feeding cycle. CDC projects that it will create 14 new jobs with at least 10 held by LMI.